

## Economic Importance of our Border Crossings

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## Economic Importance of Michigan's Borders

Border crossings are critical to the health of Michigan's and the nation's economy.

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## International Trade - Value

- \$160 billion in trade passes through Michigan land ports
- Detroit at \$100 billion is the #1 land port in North America
- Port Huron at \$57 Billion is #3

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## Michigan Trade with Canada A Special Relationship

- Michigan's overall trade with Canada in 2002 - \$66 billion
- 18.6% of total U.S. - Canada trade
- 93 percent of trade with the Ontario

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## Canadian Trade – Origin/Destination

- Surface trade with Canada
  - Michigan - \$94 billion
  - 60% of all trade passing through Michigan ports
  - 40% is Canadian trade with 27 other states, including:
    - Indiana
    - Ohio
    - Illinois
    - Kentucky
    - Texas

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## Canadian Trade What's Crossing the Border

- 70% - Vehicles, electronics and precision goods
- 17% - Metal products and machinery
- 5% - Wood, textiles, and leather products
- 3% - Pharmaceuticals and chemical products

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## Canadian Trade Truck

- \$52 billion
- Ambassador Bridge and Blue Water Bridge are top 2 commercial vehicle crossings on the U.S./Canada border
  - 4.7 million truck crossings per year
  - 13,095 truck crossings per day

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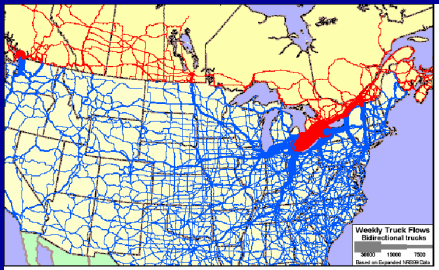
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## Truck Trips Crossing the U.S. - Canada Border in 1999



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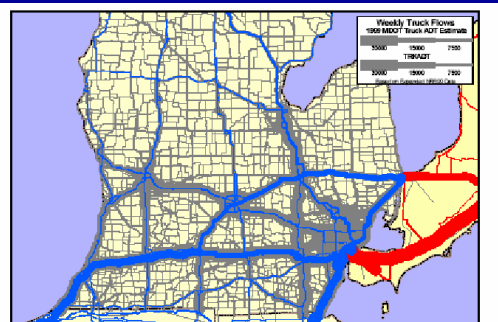
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## Impact of International Truck Flows on Michigan's Highway Network



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## Michigan Trade Rail

- \$40 billion with Canada and Mexico
- 45% of all North American rail trade
  - Next largest is California at 10%
- Port Huron at \$22 billion is the #2 rail port in North America
- Detroit at \$15 billion is #3

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## Cross Border Commerce and Tourism

- Passenger traffic between Michigan and Ontario generates millions of dollars for local and regional economies
- 20 million passenger cars crossed between Michigan and Ontario in 2002
  - 25% work-related
  - 40% dining, entertainment, and casinos
  - 12% shopping

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## What does the future hold?

- 150% growth in cross border truck traffic by 2030
- 70% growth in passenger traffic

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## Critical Issues Facing Michigan's Borders

- Security
- Congestion

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## Homeland Security

- MDOT's top priority
  - Protect our critical transportation infrastructure

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### Costs of Border Congestion

- \$10 billion/year to the U.S. economy
- \$150/hour - average cost of border delays
- \$154 million/ year in delay costs at the Blue Water Bridge
- With more than double the traffic, annual delay costs at the Ambassador Bridge are significant greater

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### Long Term Costs of Border Congestion to Michigan's Economy

- By 2020, \$1billion/year in foregone production and output to Michigan's economy
- By 2030, \$5 billion/year
- Major impacts on just-in-time delivery systems

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### Primary Reasons for Congestion

- Unprepared drivers
- Lack of sufficient border inspection staff
- Expanded security processes
- Growth in traffic
- Inadequate border infrastructure

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## Strategies for Reducing Congestion

- Require pre-processing of all commercial vehicles
- Fully staff border crossings
- Maximize participation in programs designed to facilitate processing of low-risk travelers, shippers, carriers and drivers
- Expand infrastructure capacity

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## MDOT's Vision for Michigan's Border Crossings

Establish and maintain a transportation border infrastructure network that allows for the seamless movement of people, goods, and services in a cost-efficient, timely, safe and secure manner.

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## MDOT's Border Goals

- Protect our infrastructure
- Expand capacity at our crossings
- Expand collaboration and coordination with:
  - homeland security agencies
  - Canadian transportation and border agencies
  - Michigan's private border crossing operators
  - Private sector users of Michigan's crossings

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## MDOT's Border Initiatives

- Border Investments will exceed \$700 million
  - Border Partnership New Crossing Study
  - Ambassador Bridge Gateway Project
  - Detroit Intermodal Freight Terminals
  - Blue Water Bridge Plaza Expansion

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## Questions?

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